

**MINUTES OF MEETING OF STATE BUILDING COMMISSION
EXECUTIVE SUB-COMMITTEE**

APRIL 22, 2002

The State Building Commission Executive Sub-committee met this day in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee, at 2:00 p.m., with the following State Building Commission Sub-committee members and departments present.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

C. Warren Neel, Commissioner, Department of Finance and Administration
Riley Darnell, Secretary of State
Steve Adams, State Treasurer

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

John Morgan, Comptroller of the Treasury

OTHERS PRESENT

Michael A. Fitts, State Architect
Georgia Martin, Department of Finance and Administration
Larry Kirk, Department of Finance and Administration
Charles Garrett, Department of Finance and Administration
Gloria Rittenberry, Department of Finance and Administration
Jurgen Bailey, Department of Finance and Administration
Charles Harrison, Comptroller's Office
Mark Wood, Secretary of State's Office
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Pat Haas, Comptroller's Office
Dennis Raffield, THEC
George Brummett, Department of Finance and Administration
Jerry Preston, Tennessee Board of Regents
Eddie Nikazy, Department of Finance and Administration

Ken Scalf, Department of Finance and Administration
Terry Bonham, Department of Environment and Conservation
Jan Sylvis, Department of Finance and Administration
Gary Myers, Tennessee Wildlife Resources Agency
John Gregory, Tennessee Wildlife Resources Agency
Carole Graves, TML
Tom Ballard, University of Tennessee
Alvin Payne, University of Tennessee
Robbi Stivers, University of Tennessee
Mary Margaret Collier, Comptroller's Office
Ann Butterworth, Comptroller's Office
Karen Hale, Comptroller's Office
Martin Deschenes, TN Foreign Language Institute
Bob King, Department of Finance and Administration

Commissioner Neel called the meeting to order at 2:07 p.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN SURVEY and ACQUIRE by LEASE and APPROVAL for DISPOSAL by LEASE with WAIVER of ADVERTISEMENT and APPRAISALS, required interest in the following real property:

Description: Gibson County – Milan Experimental Station and Milan Army Ammunition Plant – Trans. No. 01-08-012 (GM)

Purpose: Groundwater pollution mitigation agreement:
1) State to lease 252.0 +/- Acres to U.S. Department of Defense
2) U.S. Department of Defense to lease 388.0 +/- Acres to State

Source of Funding: Operating Funds

Term: Five (5) years with five/five year options

Estimated Cost: Both Parties - \$21,000 annual rent. U.S. Army to monitor, remediate and provide treated water. State to provide \$10,000 of in-kind services

Appraisal Cost: \$6,500.00

Owner(s): 1) University of Tennessee & 2) U.S. Department of Defense

Comment: Previous Sub-Committee action on September 24, 2001 approved appraisal only to determine value of ground water rights. Water rights value determined at \$400,000.00.

SSC Report: 03-18-02. Robbi Stivers, University of Tennessee, summarized the transaction and stated there would be no impact on the University's operating budget. Staff referred to Sub-Committee with recommendation.

Comment: Subsequent to staff review of March 18, the agency requested deferral for one month.

University of Tennessee – continued:

- SSC Report: 04-15-02. Alvin Payne stated that the term arrangements have been worked out and requests approval of the transaction. He stated there would be no impact to the operating costs. Staff referred to Sub-Committee with recommendation.
- SC Action: 04-22-02. Alvin Payne summarized the transaction and advised that the DOD will place monitoring wells for remediation purposes. He advised that the DOD would remediate and provide treated water to the State. Sub-Committee approved the transaction as presented. Final action.

UNIVERSITY OF TENNESSEE

UNIVERSITY OF TENNESSEE CENTER FOR THE HEALTH SCIENCES, MEMPHIS, TN

- 1) Approved a request to demolish Building #2127 as part of the construction process on a project for **Van Vleet Completion of Space** at the University of Tennessee Center for the Health Sciences, Memphis, Tennessee, with cost of the demolition included in the project.

SBC Project No. 540/013-01-01

TENNESSEE BOARD OF REGENTS

AUSTIN PEAY STATE UNIVERSITY, CLARKSVILLE, TENNESSEE

- 1) Approved a request to demolish three structures (at 222 Castle Heights, 230 Castle Heights and 241 West Avenue) as part of the site preparation for the existing project (**New Residential Apartment Complex**) at Austin Peay State University, Clarksville, with cost of the demolitions provided in the project.

SBC Project No. 166/003-02-01

- 2) Approved a project and acknowledgment of the source of funding for **Demolition of Six Buildings** (213 Castle Heights, 226 Castle Heights, 228 Castle Heights, 302 Castle Heights, 305 Castle Heights and 438 Ford Street) at Austin Peay State University, Clarksville, for general clearing and provision for future parking.

Estimated Project Cost: \$90,000.00

SBC Project No. 166/003-02-02

DISCUSSION OF BIDS

- 1) **Northeast State Technical Community College, Blountville**
(Welding & Auto Shop Building Reroof)
SBC Project No. 166/038-01-01
Bid date: 04/10/02
SBC Action: Referred to Subcommittee with authority to act
SC Action: No action required

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN, APPRAISAL, SURVEY and ACQUIRE by EASEMENT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Benton County – 40 Ft. x 4,000 Ft. Easement – Big Sandy Wildlife Management Area – Trans. No. 01-07-001 (CH)**

Purpose: Acquisition by Easement to provide power to an electric pump. The easement crosses private property and is the only route into the WMA.

Source of Funding: TWRA License Dollars

Estimated Cost: Pending Appraisal

Estimated Title, Appraisal and Survey Fees: Pending Bid

Owner(s): Edward Ring

Comment: Environmental concerns have steered the agency toward electric pumps over diesel pumps.

SSC Report: 08-13-01. Referred to Sub-Committee for consent agenda.

SC Action: 08-27-01. Sub-Committee approved the request as presented. Final action.

Comment: 04-01-02. Subsequent to Sub-Committee approval of August 27, 2001, the option to purchase the easement at fair market value of \$5,014.00 was presented to the property owner. The owner stated that he would take no less than \$10,000.00 for the easement area. Therefore, in a letter to F & A's Real Estate Management, the agency requested that the State's eminent domain process be initiated, even though the Attorney General's office has advised that the cost would exceed paying the owner's asking price of \$10,000.00. Should the State cease to use the property for the intended purpose the easement shall revert to the original owner.

Tennessee Wildlife Resources Agency – continued:

- SSC Report: 04-15-02. John Gregory advised that the power line easement is necessary to replace the diesel pump that has been used as an alternative source. He stated there are environmental concerns by utilization of the diesel pump. Staff raised concern regarding the possible precedent that would be set and referred to Sub-committee without recommendation and for discussion.
- SC Action: 4-22-02. Charles Garrett presented the transaction for review. Sub-Committee expressed concern regarding a precedent that may be set if the request to purchase at a price higher than market value was approved. Larry Kirk stated that, although the agency requested condemnation proceedings be initiated, Sub-Committee's approval was not required. He stated the Commissioner of Finance and Administration would request initiation of the proceedings from the Governor. Mr. Kirk further stated that, Sub-Committee approval is required to acquire at greater than appraised value. John Gregory, agency representative, stated that the appraised value was 70% of the per acre value. Mr. Gregory stated that there are safety concerns for continuing use of a diesel pump. Sub-Committee approved the request to acquire at the \$10,000.00 asking price with the understanding that this will not obligate the Subcommittee to approve any future similar requests. Final action.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Anderson, Campbell & Scott Counties – 75,000 +/- Acres – Trans. No. 02-03-015 (CH)**

Purpose: Acquisition in Fee for purposes of wildlife management, habitat for the migrating songbird, recently released elk, and other native game and non-game species, as well as wildlife oriented recreation such as hunting, viewing, and photography.

Source of Funding: **\$9,375,000.00 - Current Project Funding**
\$ 80,000.00 Wild Turkey Federation
\$2,545,000.00 Conservation Fund
\$1,000,000.00 Rocky Mountain Elk Foundation
\$ 750,000.00 Federal Land & Water Conservation Fund
\$5,000,000.00 TWRA License dollars or Wetland Funds

Estimated Cost: Pending Appraisal

Estimated Title,
Appraisal and
Survey Fees: Pending Bid

Owner(s): International Paper Inc. or The Conservation Fund

Comment: The proposed acquisition will connect the Royal Blue Wildlife Management Area with the Frozen Head State Natural Area. Approximately 90 miles of the Cumberland Trail is also on this property.

SSC Report: 04-15-02. John Gregory advised that the acquisition would be in fee and the State would own everything except timber rights. He stated the mineral rights are outstanding and would revert to the fee owner after 99 years. Discussion ensued regarding the source of funding from Wetland Funds or TWRA License funds and the pending legislation regarding use of Wetland Funds. Staff referred to Sub-Committee for discussion.

Tennessee Wildlife Resources Agency – continued:

SC Action: 04-22-02. John Gregory, agency representative, presented a summary of the transaction. He advised that the mineral rights return to the fee owner after 99 years and that timber rights are excluded from the acquisition. He stated that the TWRA Commission approved the \$5 Million out of agency reserves and had requested that the Wetland Fund be amended to include funding for this transaction. Sub-Committee expressed concern regarding the perception of purchasing property when the State's budget is questionable. Discussion ensued regarding any increase in license fees, fund cycle for operation of the agency, and perception of purchase. Gary Myers, Executive Director, stated 1) the State would own the property in fee and in approximately 93 years the mineral rights would be returned to the fee owner, which would be the State, 2) would provide public access, and 3) would also provide preservation for wildlife management purposes. Subcommittee approved the request as presented. Final action.

DEPARTMENT OF FINANCIAL INSTITUTIONS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Madison County – Lot 6, Madison Square, Jackson, TN – Trans. No. 01-07-921 (TH)

Purpose: To provide office and related space for the Departments West Tennessee Field Office

Term: September 1, 2002 thru August 31, 2007 (5 yrs.)

Proposed Amount: 5,000 Square Feet

Annual Contract Rent:	\$48,000.00	@ \$ 9.60/sf
Est. Annual Utility Cost:	\$ 7,000.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 5,500.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$60,500.00	@ \$12.10/sf

Current Amount: 2,117 Square Feet – State-owned Space

Type: New Lease – Advertisement – Only Conforming Proposal of (4) Proposals from (4) Proposers

FRF Rate: \$13.50 per Square Foot

Lessor: Susan A. Cox

Comment: The proposed lease provides the Lessor will construct 5,000 net rentable office and related space including interior tenant improvements at no additional cost to the State. Further, the proposed lease provides for no cancellation during the entire term of the lease except for cause and/or funding.

SSC Report: 04-15-02. Discussion centered around non-conforming proposals. Staff referred to Sub-committee with recommendation contingent upon approval pursuant to TCA 12-2-114(d).

SC Action: 04-22-02. Charles Garrett presented the transaction for review and approval. After review and discussion, Sub-Committee approved the transaction as requested. Final action.

DEPARTMENT OF FINANCE & ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 404 James Robertson Parkway, Nashville, TN – Trans. No. 01-10-905 (EN)

Purpose: To provide additional office and classroom space for the TN Foreign Language Institute.

Term: May 1, 2002 thru January 31, 2007 (4 yrs. 9 mos.)

Proposed Amount: 88,298 Square Feet
Avg. Annual Contract Rent
Incl. Utility & Janitorial Cost: \$1,181,027.24 @ \$13.38/sf
Avg. Total Ann. Effective Cost: \$1,181,027.24 @ \$13.38/sf

Current Amount: 84,772 Square Feet
Avg. Annual Contract Rent
Incl. Utility & Janitorial Cost: \$1,133,849.23 @ \$13.38/sf
Avg. Total Ann. Effective Cost: \$1,133,849.23 @ \$13.38/sf

Type: Amendment No. 1 – 3,526 Additional Office/Classroom space

FRF Rate: \$18.00 per Square Foot – Central Business District

Lessor: Domain Copper Ridge Associates, LTD

SSC Report: 04-15-02. Referred to Sub-Committee with recommendation.

SC Action: 04-22-02. Sub-Committee approved the transaction as presented. Final action.

STATE BUILDING COMMISSION

MINUTES OF MEETING OF STATE BUILDING COMMISSION

- 1) Approved the Minutes of the State Building Commission Executive Sub-committee meeting held on April 2, 2002.

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Following approval of the Consent Agenda, the meeting adjourned at 2:35 p.m.

CONSENT AGENDA

Approved the following real property transactions that have been reviewed and recommended for approval by Sub-committee staff:

- A. Agency: **University of Tennessee – Knox County**
 Trans.: Disposal by Easement with Right-of-Entry
 Provision: Waiver of Advertisement and Appraisals

- B. Agency: **Mental Health & Development Disabilities – Knox County**
 Trans.: Disposal by Lease
 Provision: Waiver of Advertisement and Appraisals

- C. Agency: **Department of Children's Services – Knox County**
 Trans.: Lease Agreement

- D. Agency: **Department of Children's Services – Madison County**
 Trans.: Lease Amendment

- E. Agency: **Department of Children's Services – Shelby County**
 Trans.: Lease Agreement

- F. Agency: **Department of Children's Services – Tipton County**
 Trans.: Lease Agreement

- G. Agency: **Department of Human Services – Shelby County**
 Trans.: Lease Amendment

- H. Agency: **Finance & Administration for Human Services and
 Children's Services – Warren County**
 Trans.: Lease Agreement

- I. Agency: **Finance & Administration for Human Services**
 Trans.: Lease Amendment

- J. Agency: **Secretary of State – Rutherford County**
 Trans.: Lease Agreement
 Provision: Waiver of Advertisement

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS and with APPROVAL of a RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112.

Description: Knox County – (3) Utility Easements – University of Tennessee, Knoxville, TN – Trans. No. 02-03-012 (GM)

Purpose: Disposal by Easement of (2) Permanent Easements and (1) Temporary Easement as follows:
A) 0.374 +/- Acres – Replacement of sewer line along east side of Neyland Stadium
B) 0.115 +/- Acres – Replacement of sewer line along east side of Neyland Stadium
C) 0.077 +/- Acres – Re-route Easement "A" around temporary metal building erected by the University on top of existing easement "A" sewer line

Estimated Sale Price: Grant – Serves the University

Grantee: Knoxville Utility Board

SSC Report: 04-15-02. Alvin Payne stated the temporary easement would continue until such time as the University deems the building is no longer useful. He stated the temporary easement would be re-routed around the building. Staff referred to Sub-committee for consent agenda.

SC Action: 04-22-02. Approved the request as presented. Final action

B.

**DEPARTMENTAL OF MENTAL HEALTH &
DEVELOPMENTAL DISABILITIES**

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: **Knox County – 24,002 Square Feet – Jane Keller Building, Lakeshore Mental Health Institute, Knoxville, TN – Trans. No. 02-03-008 (BM)**

Purpose: Disposal by Lease Renewal for continuation of the sexual offenders treatment program for children and youth.

Term: One (1) Year

Consideration: Facilities Revolving Fund Rate

Lessee: Youth Services International of Tennessee, Inc.

SSC Report: 04-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 04-22-02. Approved the request as presented. Final action

DEPARTMENT OF CHILDREN SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Knox County – 3720 Middlebrook Pike, Knoxville, TN – Trans. No. 01-12-909 (JS)

Purpose: To provide a residential group home for teenage boys

Term: July 1, 2002 thru June 30, 2012 (10 yrs.)

Proposed Amount: 5,500 Square Feet

Annual Contract Rent:	\$66,000.00	@\$12.00/sf
Est. Annual Utility Cost:	\$ 7,700.00	@\$ 1.40/sf
Total Annual Effective Cost:	\$73,700.00	@\$13.40/sf

Current Amount: 5,500 Square Feet

Annual Contract Rent:	\$54,648.00	@\$ 9.93/sf
Est. Annual Utility Cost:	\$ 7,700.00	@\$ 1.40/sf
Total Annual Effective Cost:	\$62,348.00	@\$11.33/sf

Type: New Lease – Advertisement – Only Proposal

FRF Rate: Not Applicable

Lessor: Knoxville Group Home, LLC – Current Lessor

Comment: The proposed lease provides 1) the Lessor will make improvements and upgrades at no additional cost to the State, 2) an Option to Purchase by the State, and 3) no cancellation during the first five (5) years of the lease except for cause and/or funding and 180 days notice thereafter.

SSC Report: 04-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 04-22-02. Approved the request as presented. Final action

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: **Madison County – 33 Old Hickory Blvd., Delta Office Building, Jackson, TN – Trans. No. 01-09-909 (TH)**

Purpose: To provide office and related space for new positions assigned to Jackson, TN.

Term: June 1, 2002 thru June 30, 2004 (2 yrs., 1 mo.)

Proposed Amount: **24,985 Square Feet**
Annual Contract Rent
Including Utility Cost: \$227,400.00 @\$ 9.10/sf
Est. Annual Janitorial Cost: \$ 27,483.50 @\$ 1.10/sf
Total Annual Effective Cost: \$254,883.50 @\$10.20/sf

Current Amount: **22,185 Square Feet**
Annual Contract Rent
Including Utility Cost: \$201,923.00 @\$ 9.10/sf
Est. Annual Janitorial Cost: \$ 24,403.50 @\$ 1.10/sf
Total Annual Effective Cost: \$226,326.50 @\$10.20/sf

Type: Amendment No. 2 – 2,800 Square Feet

FRF Rate: \$13.50 per Square Foot

Lessor: Delta Office Building, LLC

Comment: The proposed amendment provides that the Lessor will perform tenant improvements at no additional cost to the State.

SSC Report: 04-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 04-22-02. Approved the request as presented. Final action

E.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Shelby County – 2164 Frayser Boulevard, Memphis, TN – Trans. No. 02-03-921 (BK)

Purpose: To provide office and related space for forty-eight (48) new positions assigned to Shelby County.

Term: June 1, 2002 thru May 31, 2003 (1 yr.)

Proposed Amount: 15,000 Square Feet

Annual Contract Rent:	\$ 87,750.00	@\$5.85/sf
Est. Annual Utility Cost:	\$ 21,000.00	@\$1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 16,500.00</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	\$125,250.00	@\$8.35/sf

Current Amount: None – New Positions

Type: New Lease - Negotiated

FRF Rate: \$16.00 per Square Foot

Lessor: Belz Investco, GP

Comment: The proposed lease is for temporary space to house new positions assigned to Shelby County and provides for no cancellation during the lease term except for cause and/or funding. These positions will relocate to a new build-to-suit facility previously approved by Executive Sub-Committee at the February 25, 2002 meeting.

SSC Report: 04-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 04-22-02. Approved the request as presented. Final action

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Tipton County – 901 Hope Street, Covington, TN – Trans. No. 02-04-907 (BK)**

Purpose: To provide office and related space for the Department's new positions.

Term: June 1, 2002 thru May 31, 2003 (1 yr.)

Proposed Amount: 6,110 Square Feet
Annual Contract Rent
Including Utility Cost: \$48,880.00 @\$8.00/sf
Est. Annual Janitorial Cost: \$ 6,721.00 @\$1.10/sf
Total Annual Effective Cost: \$55,601.00 @\$9.10/sf

Current Amount: None – New Positions

Type: New Lease – Negotiated

FRF Rate: \$10.25 per Square Foot

Lessor: APC, LLC

Comment: The proposed lease provides temporary space pending advertisement for long term lease space and no cancellation during the term of the lease except for cause and/or funding.

SSC Report: 04-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 04-22-02. Approved the request as presented. Final action

DEPARTMENT OF HUMAN SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: Shelby County – 3230-3234 Jackson Avenue, Memphis, TN – Trans. No. 01-07-902

Purpose: To provide office and related space for recently approved new positions assigned to Shelby County to accommodate TennCare Eligibility.

Term: June 1, 2002 thru December 31, 2012 (9 yrs. 7 mos.)

Proposed Amount: 89,614 Square Feet
Annual Contract Rent: \$544,853.12 @\$6.08/sf
Est. Annual Utility Cost: \$125,459.60 @\$1.40/sf
Est. Annual Janitorial Cost: \$ 98,575.40 @\$1.10/sf
Total Annual Effective Cost: \$768,888.12 @\$8.58/sf

Current Amount: 83,614 Square Feet
Annual Contract Rent: \$508,373.12 @\$6.08/sf
Est. Annual Utility Cost: \$117,059.60 @\$1.40/sf
Est. Annual Janitorial Cost: \$ 91,975.40 @\$1.10/sf
Total Annual Effective Cost: \$717,408.12 @\$8.58/sf

Type: Amendment No. 1 – 6,000 Additional Square Feet

FRF Rate: \$16.00 per Square Foot

Lessor: Belz Investco, GP

Comment: The proposed amendment No. 1 provides that the Lessor shall build-out 6,000 rentable square feet as per State specifications and plans at no additional cost to the State. All other terms and conditions of the lease remain the same.

SSC Report: 04-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 04-22-02. Approved the request as presented. Final action

DEPARTMENT OF FINANCE & ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Warren County – 115 Belmont Drive, McMinnville, TN – Trans. No. 01-10-916 (RS)

Purpose: To provide office and related space for the local operations of the Departments of Human Services and Children's Services

Term: January 1, 2003 thru December 31, 2012 (10 yrs.)

Proposed Amount:	<u>14,000 Square Feet</u>		
	Annual Contract Rent:	\$ 74,000.00	@ \$ 5.29/sf
	Est. Annual Utility Cost:	\$ 19,600.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 15,400.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$109,000.00	@ \$ 7.79/sf

Current Amount:	<u>11,786 Square Feet (2 Locations)</u>		
	Avg. Annual Contract Rent:	\$ 75,999.96	@ \$ 6.45/sf
	Avg. Est. Utility & Janitorial Cost:	<u>\$ 25,564.60</u>	<u>@ \$ 2.17/sf</u>
	Avg. Ann. Effective Cost:	\$101,564.56	@ \$ 8.62/sf

Type: New Lease – Advertisement – Lowest of (9) Proposals from (5) Proposers (One Proposal Non-conforming)

FRF Rate: \$10.25 per Square Foot

Lessor: Greg Brock – Current Lessor

Comment: The proposed lease provides that Lessor will 1) construct a 5,000 square foot addition to the existing office building including interior built-out at no additional cost to the State, 2) perform repairs and improvements to the existing space at no additional cost to the State, and 3) no cancellation during the first (5) years of the lease term except for cause and/or funding and 180 days notice thereafter.

SSC Report: 04-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 04-22-02. Approved the request as presented. Final action

I.
DEPARTMENT OF FINANCE & ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: **Davidson County – 44 Vantage Way, Nashville, TN – Trans. No.**

Purpose: To provide office and related space for the Department of Human Services new positions.

Term: May 1, 2002 thru August 31, 2005 (3 yrs., 4 mos.)

Proposed Amount: **50,804 Square Feet**
Avg. Annual Contract Rent
Incl. Utility & Janitorial Cost: **\$708,806.00** **@\$13.95/sf**
Avg. Annual Effective Cost: **\$708,806.00** **@\$13.95/sf**

Current Amount: **42,404 Square Feet**
Avg. Annual Contract Rent
Incl. Utility & Janitorial Cost: **\$600,112.23** **@\$14.15/sf**
Avg. Annual Effective Cost: **\$600,112.23** **@\$14.15/sf**

Type: Amendment No. 2 – 8,400 Square Feet

FRF Rate: \$18.00 per Square Foot

Lessor: ATAPCO Vantage, Inc.

SSC Report: 04-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 04-22-02. Approved the request as presented. Final action

SECRETARY OF STATE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Rutherford County – 2118 East Main Street, Murfreesboro, TN – Trans. No. 02-03-022 (EN)**

Purpose: To provide library, office and related space for the Highland Rim Regional Library

Term: July 1, 2002 thru June 30, 2007 (5 yrs.)

Proposed Amount:	<u>3,960 Square Feet</u>		
	Annual Contract Rent:	\$26,000.04	@\$6.57/sf
	Est. Annual Utility Cost:	\$ 5,544.00	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 4,356.00</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$35,900.04	@\$9.07/sf

Current Amount:	<u>3,960 Square Feet</u>		
	Annual Contract Rent:	\$22,020.00	@\$5.56/sf
	Est. Annual Utility Cost:	\$ 5,544.00	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 4,356.00</u>	<u>@\$1.10/sf</u>
	Total Annual Effective cost:	\$31,920.00	@\$8.06/sf

Type: New Lease – Negotiated

FRF Rate: \$10.25 per Square Foot

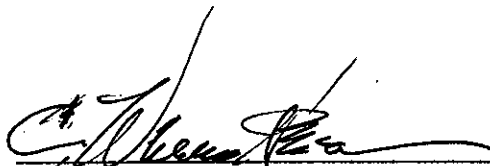
Lessor: Robert and Sara Farris – Current Lessor

Comment: The proposed lease provides that the Lessor will make improvements to the space at no additional cost to the State.

SSC Report: 04-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 04-22-02. Approved the request as presented. Final action

APPROVED BY:

A handwritten signature in black ink, appearing to read "C. Warren Neel", is written over a horizontal line.

C. Warren Neel, Ph.D., Commissioner
Department of Finance and Administration